

# Congress of the United States

Washington, DC 20515

October 31, 2005

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**ASSIGN: DKR-7**

**cc: FO3, DKN/Wash, L-7, P-6, R-3**

Mr. Stephen J. Wright  
Administrator  
Bonneville Power Administration  
P.O. Box 3621  
Portland, OR 97208-3621

Dear Steve:

While we applaud the efforts of Bonneville and several others in the region, both public and private utilities, to try to find consensus between the Grid West model and the Transmission Improvements Group (TIG) model, we remain concerned that the "convergence" proposal still falls short in terms of governance and regional accountability.

We recognize the additional accountability features that are built into the convergence proposal including: a requirement that two-thirds of the candidates for the board, and a majority of the board actually seated, have experience in the Northwest; and additional vote hurdles to try to prevent scope creep.

However, even with these improvements, we are concerned that once Grid West is operational, the only instance in which a stakeholder vote is binding is when 20 or more members vote against a Board proposal dealing with an issue on the existing special issues list. In all other instances, stakeholder input is merely advisory and can be overruled with a vote of 7 of 9 Board members. We believe that the 20 vote threshold is too high and that additional hurdles are necessary if a single class of voters, such as transmission dependent public utilities, vote against a Board proposal. In addition, while the ability to remove Board members at any time with or without cause provides for a measure of accountability, the 20 vote threshold to remove members may be too high to be a meaningful check on the Board.

A related concern is the widespread belief that the convergence proposal, even with its non-FERC jurisdictional developmental board implementing several near-term features of the TIG proposal, is merely a placeholder until the full-blown Grid West proposal can be implemented at Decision Point 4. We believe that the two remaining off-ramps, the decision on whether Bonneville will accept the transmission operating agreement (TOA) offered by the Grid West Board and the stakeholder vote on whether to go from the


developmental stage to the operational stage of Grid West, must provide for a meaningful opportunity to assess the merits of moving forward. The convergence proposal must not make the full-blown Grid West a fait accompli. To that end, we believe that Bonneville must initiate a public process prior to making a decision on whether to adopt the TOA so that your customers have an opportunity to comment and inform your decision. We also believe that the threshold for moving from the developmental stage to the operational stage (16 votes, a simple majority) is too low. At a minimum, the threshold should be two-thirds (20 votes) voting in favor and that additional hurdles should be considered if a single class of voters, such as transmission dependent public utilities, vote against moving to the operational stage.

As you know, currently Bonneville is accountable to the region via federal laws and regulations, oversight from the congressional delegation, and public and legal pressure from stakeholders. Given this existing multi-layered accountability, any proposal in which Bonneville turns over the operation and effective control of its transmission system to a private entity like Grid West must put regional accountability above all else.


Finally, before Bonneville makes a final commitment to any proposal, we believe there needs to be a fuller understanding of the implications of the eminent domain provisions of the Energy Policy Act of 2005, as well as how eminent domain would be exercised under the convergence proposal. As you can imagine, we and those we represent are fiercely protective of private property rights. We would have serious reservations if private property rights could be eroded under Grid West.

Thank you for your careful consideration of the issues raised in this letter.

Sincerely,



PETER DeFAZIO  
Member of Congress



NORM DICKS  
Member of Congress